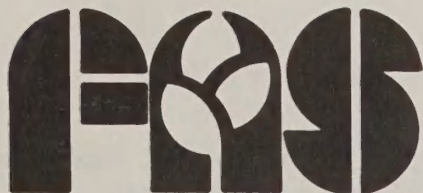


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REPORT

United States
Department of
Agriculture
Foreign
Agricultural
Service
Washington, D.C. 20250

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 41-83

WASHINGTON, Oct. 13--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

EC TRADE NOTES

The EUROPEAN COMMUNITY Council approved opening the 1984 "High Quality Beef Quota" (HQB) during its September 26-27 meeting. This quota includes 10,000 metric tons of HQB that may be imported from the United States. In previous years this approval has not been granted until after the new marketing year began in January. The regulation concerning this Council decision also moves to set up a system for use of the quota based on presentation of a certificate of authenticity. However, all the details have not been worked out. This may be a step toward a more routine functioning of the quota procedure that the United States has urged for some time.

COTTON AND FIBERS

NIGERIAN imports of raw cotton in 1983/84 are likely to exceed last year's estimated level of 75,000 bales. The increase is attributable to a shortage in supplies available to the domestic textile industry. Although the industry estimates the shortage to be in excess of 300,000 bales, a scarcity of foreign exchange limits the quantity that can be imported. Consequently, the Nigerian Textile Manufacturers Association has proposed buying cotton principally from countries belonging to the Economic Community of West African States, thereby reducing the need to pay in hard currencies.

Reflecting improved economic conditions and strong domestic and foreign demand for high quality textile products, WEST GERMAN raw cotton consumption in 1983/84 could exceed 900,000 bales, a level not reached since 1976/77. Major structural changes, like the consolidation of mills and the introduction of more efficient equipment, have permitted the German spinning industry to specialize in the production of high quality yarns--a market that countries producing low-cost textiles have yet to enter successfully.

Although import demand for raw cotton is likely to remain buoyant in 1983/84, imports are expected to level off somewhat from 1982/83. Reflecting concern about world supplies of medium- and high-grade cotton, as well as strong domestic demand, German imports in the fourth quarter of 1982/83 surged to an estimated 329,000 bales. Total 1982/83 imports could thus surpass one million bales.

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TOBACCO

On September 23, the Government of BRAZIL reduced the export tax from 5 percent to zero on a number of agricultural commodities including raw tobacco. A previous reduction occurred June 23, 1983, when Brazil lowered the tobacco leaf export tax from 20 percent to 5 percent--the tax was to have remained at that level until April 1, 1984. Elimination of the export tax will enable Brazilian tobacco exports to benefit fully from the cruzeiro devaluation, providing even greater price competition for United States exports.

COFFEE, TEA AND COCOA

A report of a coffee rust outbreak on a COLOMBIAN farm in the state of Caldas, the heart of this country's coffee producing area, was recently confirmed by the U.S. Agricultural Counselor in Bogota. Concern remains whether the isolation of the affected farm and application of chemical spraying will be able to control the rust. No impact is expected on the current crop as the main harvest, which is just now beginning, will last until November. While Caldas accounts for about 10 percent of Colombia's coffee production, it is near two other important coffee producing states which together with Caldas account for nearly half the coffee produced in Colombia.

WORLD cocoa bean production for 1983/84 (October-September) is estimated at 1.64 million tons, 7 percent more than last year, but 4 percent less than the record 1981/82 crop. Improved weather and new trees coming into bearing contributed to the higher 1983/84 production.

West Africa, which accounts for 55 percent of the world total, is expected to harvest a 7 percent larger crop than last year's reduced level. In the Ivory Coast, the development and introduction in recent years of drought-resistant and higher yielding varieties lend support to a production potential of between 350,000 and 450,000 metric tons for the 1983/84 crop. Growing conditions have been dry in recent months, and the crop remains subject to substantial change depending on weather developments in the next few weeks. There is concern that continued dry weather will adversely affect bean size and quality. Flowering peaked during the heavier rains of May and June, but the normal light rains needed in July and August for optimal maturing of pods turned into unusually dry conditions in most areas. Field reports in September, however, indicate one of the highest pod counts in recent history, giving rise to early estimates of a potentially large crop.

In Cameroon and Nigeria, rainfall has been good this season and production levels are forecast to be above last year's crops. Crop damage from brush fires and the continued shift to food crop production indicates that Ghana's harvest for 1983/84 will be below the poor 1982/83 outturn of 178,000 tons.

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South American output is forecast 5 percent higher than last year. In Brazil, 1983/84 production levels are expected to be slightly above the previous year's crop of 344,000 tons. In Ecuador, the 1983/84 crop is expected to recover somewhat following the record high rainfall and fungus infestations that restricted the previous year's harvest. Heavy rainfall and excessive humidity prevailed from late September 1982 through July 1983.

Asian outturn is projected to increase sharply as Malaysian production is forecast to increase 38 percent. Favorable weather and vast new areas of new plantings coming into production contributed to the expansion.

Production for major countries and regions is as follows in 1,000 tons:

Country/Region	1982/83	1983/84
Africa:		
Ivory Coast	351.0	400.0
Ghana	178.0	160.0
Nigeria	160.0	170.0
Cameroon	106.0	117.0
Other	48.2	51.7
Total	843.2	898.7
South America:		
Brazil	344.0	350.0
Ecuador	62.0	77.0
Colombia	40.0	42.0
Other	25.0	25.6
Total	471.0	494.6
Central America/Caribbean:		
Mexico	43.0	40.0
Dominican Republic	41.0	41.0
Other	20.5	19.5
Total	104.5	100.5
Asia/Oceania:		
Malaysia	69.0	95.0
Papua-New Guinea	30.0	30.0
Other	22.1	23.6
Total	121.1	148.6
World Total	1,539.8	1,642.4

WOOD AND WOOD PRODUCTS

As of 1982, AUSTRALIA had nearly 41 million hectares of productive or potentially productive native forest land and 800,000 hectares of plantation forests. The native forests are broadleaved hardwood trees, virtually all eucalyptus species. Coniferous softwood species, mainly pinus radiata, account for more than 70 percent of the plantation area.

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Australia's timber harvest totaled nearly 14.9 million cubic meters (CUM) in 1981/82, 1 million CUM less than the record volume cut during 1980/81. Reflecting depressed economic conditions in the building industry, log removals are expected to decline further in 1982/83 to 14.5 million CUM. Some improvement is expected during the 1983/84 season in line with current forecasts of a general upswing in economic activity. Softwoods have been gradually eroding the dominance of Australia's hardwood species in timber production. There has also been a significant increase in the harvested volume of lower-value pulpwood logs.

Australia's production of timber and other major wood products is estimated as follows:

COMMODITY	1/ 1981/82	2/ 1982/83	3/ 1983/84
	-----	1000 Cubic Meters -----	
Softwood Lumber	1,180,933	4/ 1,000,000	1,400,000
Hardwood Lumber	1,976,283	4/ 1,600,000	1,800,000
Panel Products5/	852,355	700,000	789,200
Railroad Ties	207,335	205,000	200,000

1/ Revised 2/ Preliminary 3/ Forecast 4/ Estimate based on data for 9 months to March 1983 5/ Plywood, Hardboard, Insulation Board, Particleboard.

Australia depends heavily on imports of sawn timber to satisfy domestic requirements. Canada, the United States and New Zealand supply roughly three-fourths of Australia's annual imports of sawn timber. Major suppliers of hardwood timber imports are Malaysia, the Philippines, Indonesia, Singapore and Papua New Guinea.

The 1983 timber harvest in the SOVIET UNION is expected to increase only 1 percent more than the disappointing 351 million cubic meters (CUM) harvested during 1982, falling 10 percent short of the 1975 record of 395 million CUM. Overharvesting and the inaccessibility of virgin forest regions are the principal reasons for the continued poor performance of the Soviet timber industry.

Forests occupy an estimated 800 million hectares in the USSR, 52 million of which are located on collective and state farms. More than 80 percent of the USSR's supplies of standing timber are located in Siberia and the far eastern parts of the country.

Production of wood and wood products for 1981-1983 is as follows in 1,000 cubic meters:

COMMODITY	1981	1/ 1982	2/ 1983
Roundwood	358,244	351,000	354,000
Lumber	98,108	97,500	98,500
Plywood	2,035	2,050	2,100
Chipboard	5,390	5,450	5,575

1/ Estimate 2/ Forecast.

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In 1982, the USSR exported \$U.S. 2.3 billion of wood and wood products compared with U.S. exports valued at 2.9 billion. Of wood products, lumber was the largest foreign currency earner (\$U.S. 892 million), followed by roundwood (\$U.S. 609 million) and saw timber (\$U.S. 336 million). Japan remains the principal importer of Soviet wood taking an estimated \$U.S. 312 million in 1982. Other major importers include Finland, the Federal Republic of Germany, Great Britain, Italy and France.

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Selected International Prices

Item	: Oct. 11, 1983	: Change from	: A year
	:	: previous week	: ago
ROTTERDAM PRICES 1/	\$ per MT	\$ per bu.	\$ per MT
Wheat:			
Canadian No. 1 CWRS-13.5%.	206.50	5.63	-5.50
U.S. No. 2 DNS/NS: 14%...	184.00	5.01	+1.00
U.S. No. 2 DHW/HW: 13.5%..	N.Q.	--	--
U.S. No. 2 S.R.W.....	157.50	4.29	+6.50
U.S. No. 3 H.A.D.....	203.00	5.52	-7.00
Canadian No. 1 A: Durum..	214.00	5.32	-6.00
Feed grains:			
U.S. No. 3 Yellow Corn....	160.00	4.06	+2.00
U.S. No. 2 Sorghum 2/.....	N.Q.	--	--
Feed Barley 3/.....	N.Q.	--	--
Soybeans and meal:			
U.S. No. 2 Yellow.....	328.50	8.94	-2.00
Brazil 47/48% SoyaPellets 4/	293.00	--	+4.00
U.S. 44% Soybean Meal.....	262.00	--	-5.00
U.S. FARM PRICES 5/			
Wheat.....	130.44	3.55	+0.73
Barley.....	100.59	2.19	+1.38
Corn.....	132.28	3.36	+0.78
Sorghum.....	117.95	5.35 6/	+0.66
Broilers 7/.....	1101.64	--	+96.12
EC IMPORT LEVIES			
Wheat 8/.....	82.62	2.25	+4.41
Barley.....	53.71	1.17	+0.32
Corn.....	47.87	1.26	+7.43
Sorghum.....	61.87	1.57	+12.86
Broilers 9/.....	256.00	--	+4.00 10/
EC INTERVENTION PRICES 11/			
Common wheat(feed quality)	167.90	4.57	+2.38
Bread wheat (min. quality)	184.64	5.03	+2.62
Barley and all			
other feed grains.....	167.90	--	+2.38
Broilers 11/.....	1123.00	--	+4.00
EC EXPORT RESTITUTIONS (subsidies)			
Wheat 12/.....	N.A.	--	--
Wheat flour.....	N.Q.	N.Q.	N.Q.
Barley.....	17.10	.37	N.Q.
Broilers 9/.....	175.00	--	-19.00 10/
Sugar, refined	N.Q.	N.Q.	N.Q.

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Optional delivery: Argentine Granifero sorghum. 3/ Optional delivery: Canadian feed barley. 4/ Optional delivery: Argentine. 5/ Based on selected major markets and adjusted to reflect farm prices more closely. 6/ Hundredweight (CWT). 7/ Twelve-city average, wholesale weighted average. 8/ Durum has a special levy. 9/ EC category--70 percent whole chicken. 10/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 14 Sept 83 from 22.50 ECU/100 bag set in Feb 1983. 11/ F.o.b. price for R.T.C. broilers at West German border. 12/ Corrective amount in ECU's: Oct. -5, Nov. -8, and Dec. -10. Jan. zero. N.Q.=Not quoted. N.A.=None authorized. Note: Basis November delivery.

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